



## *Report to the Auburn City Council*

Action Item  
Agenda Item No. **2**

City Manager's Approval

**To:** Honorable Mayor and Members of the City Council  
**From:** Robert Richardson, City Manager  
Andy Heath, Administrative Services Director  
**Date:** April 9, 2012  
**Subject:** Professional Services Agreement with Best Best & Krieger, LLP

### *The Issue*

Shall the City Council authorize the City Manager or his designee to execute a professional services agreement with Best Best & Krieger, LLP as it relates to legal services for the City's successor agency to the former Auburn Urban Development Authority?

### *Action Requested*

It is recommended that the City Council, by **RESOLUTION**, authorize the City Manager or his designee to execute a professional services agreement with Best Best & Krieger, LLP for legal services required by the City of Auburn, acting as successor agency to the dissolved Auburn Urban Development Authority.

### *Background*

On February 1, 2012, redevelopment agencies in the State of California were dissolved and replaced by successor agencies charged with discharging obligations, liquidating assets and conducting other activities necessary to wind down the affairs of the redevelopment agencies in accordance with Health and Safety Code Sections 31470, et seq. The City of Auburn, pursuant to action taken by the City Council on January 9, 2012, has elected to serve as successor agency to the City's former redevelopment agency – The Auburn Urban Development Authority (AUDA).

### *Analysis*

As the City undertakes the responsibilities associated with being the successor agency to the former AUDA, legal services and/or opinions may be required from time to time. In the past, the AUDA has contracted with legal counsel specializing in redevelopment-related matters. Given that the AUDA was dissolved effective February 1, 2012, an

agreement between the City, as successor agency to the former AUDA, and specialized legal counsel is now required.

The AUDA had retained Best Best & Krieger, LLP and, more specifically Iris Yang, as expert legal counsel for redevelopment matters. As such, staff recommends approval of an agreement with Best Best & Krieger, LLP to assure the City, as successor agency to the former AUDA, continues to be represented by expert redevelopment-related counsel.

**Alternatives Available to the City Council; Implications of Alternatives**

1. By **RESOLUTION**, authorize the City Manager or his designee to execute a professional services agreement with Best Best & Krieger, LLP for legal services required by the City of Auburn, acting as successor agency to the dissolved Auburn Urban Development Authority.
2. Do not adopt a resolution and direct staff accordingly.

**Fiscal Impact**

Costs for specialized legal counsel will be paid from the administrative reimbursement component allocated to successor agencies, consistent with state law (AB1X 26).

Indian Wells  
(760) 568-2611

Irvine  
(949) 263-2600

Los Angeles  
(213) 617-8100

Ontario  
(909) 989-8584



**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

500 Capitol Mall, Suite 1700, Sacramento, CA 95814  
Phone: (916) 325-4000 | Fax: (916) 325-4010 | [www.bbklaw.com](http://www.bbklaw.com)

Riverside  
(951) 686-1450

San Diego  
(619) 525-1300

Walnut Creek  
(925) 977-3300

Washington, DC  
(202) 785-0600

**Iris P. Yang**

(916) 551-2826  
[iris.yang@bbklaw.com](mailto:iris.yang@bbklaw.com)  
File No. [new]

March 22, 2012

Robert Richardson  
City Manager  
City of Auburn  
1225 Lincoln Way  
Auburn, CA 95603

Re: Legal Services Agreement

Dear Bob:

ABOUT OUR REPRESENTATION

Best Best & Krieger LLP is pleased to represent the City of Auburn as successor agency under AB1X26. This letter constitutes our agreement setting the terms of our representation.

CONFIDENTIALITY AND ABSENCE OF CONFLICTS

An attorney-client relationship requires mutual trust between the client and the attorney. It is understood that communications exclusively between counsel and the client are confidential and protected by the attorney-client privilege.

To also assure mutuality of trust, we have maintained a conflict of interest index. The California Rules of Professional Conduct defines whether a past or present relationship with any party prevents us from representing your firm. Similarly, your firm's name will be included in our list of clients to ensure we comply with the Rules of Professional Conduct with respect to your firm.

YOUR OBLIGATIONS ABOUT FEES AND BILLINGS

We have already discussed with you the fee arrangement. My current billing rate is \$295 per hour.

The billing rates for others are described in the memorandum attached to this letter. It also describes the other aspects of our firm's billing policies. You should consider this memorandum part of this agreement as it binds both of us. For that reason, you should read it carefully.

09959.00000\7356542.1



**BBK**  
**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

Robert Richardson  
March 22, 2012  
Page 2

INSURANCE

We are also pleased to let you know that Best Best & Krieger LLP carries errors and omissions insurance with Lloyd's of London. After a standard deductible, this insurance provides coverage beyond what is required by the State of California.

NEW MATTERS

When we are engaged by a new client on a particular matter, we are often later asked to work on additional matters. You should know that such new matters will be the subject of a new signed supplement to this agreement. Similarly, this agreement does not cover and is not a commitment by either of us that we will undertake any appeals or collection procedures. Any such future work would also have to be agreed upon in a signed supplement.

CIVILITY IN LITIGATION

In litigation, courtesy is customarily honored with opposing counsel, such as extensions to file pleadings or responses to other deadlines. In our experience, the reciprocal extension of such courtesies saves our clients' time and money. By signing this letter you will be confirming your approval of this practice in your case.

HOW THIS AGREEMENT MAY BE TERMINATED

You, of course, have the right to end our services at any time. If you do so, you will be responsible for the payment of fees and costs accrued but not yet paid, plus reasonable fees and costs in transferring the case to you or your new counsel. By the same token, we reserve the right to terminate our services to you upon written notice, order of the court, or in accordance with our attached memorandum. This could happen if you fail to pay our fees and costs as agreed, fail to cooperate with us in this matter, or if we determine we cannot continue to represent you for ethical or practical concerns.

CLIENT FILE

If you do not request the return of your file, we will retain your file for five years. After five years, we may have your file destroyed. If you would like your file maintained for more than five years or returned, you must make separate arrangements with us.

**BBK**  
**BEST BEST & KRIEGER**  
ATTORNEYS AT LAW

Robert Richardson  
March 22, 2012  
Page 3

THANK YOU

On a personal note, we are pleased that you have selected Best Best & Krieger LLP to represent you. We look forward to a long and valued relationship with you and appreciate your confidence in selecting us to represent you in this case. If you have any questions at any time about our services or billings, please do not hesitate to call me.

If this letter meets with your approval, please sign and date it, and return the original to us. We have enclosed a separate signed copy of this letter for your records.

Sincerely,



Iris P. Yang  
of BEST BEST & KRIEGER LLP

IPY:njr

Enclosures/Attachments

AGREED AND ACCEPTED:

By: \_\_\_\_\_

Dated: \_\_\_\_\_



## BEST BEST & KRIEGER LLP'S BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to Judy Ismael of our Accounting Department. Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

### Fees for Professional Services

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. Time is accrued on an incremental basis for such matters as telephone calls (minimum .3 hour) and letters (minimum .5 hour), and on an actual basis for all other work. Our attorneys are currently billed at rates from \$200 to \$550 per hour, and our administrative assistants, research assistants, paralegals and law clerks are billed at rates from \$110 to \$225 per hour. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

### Fees For Other Services, Costs and Expenses

We will incur on your behalf various costs and expenses in performing legal services under this agreement. Miscellaneous expenses are covered by a standard administrative charge, currently set at 4% which compensates the cost of normal photocopying, long distance telephone calls, regular mail postage, telecopy charges and other expenses as to which individual itemization is impractical. Costs specific to your matter such as investigation and filing fees, process server fees, required costs of travel, out-of-town lodging and meals, courier and express delivery and mail services, deposition and court reporter fees, computerized legal research, major photocopying, conference calls and staff overtime, as needed, are itemized and will appear on your monthly statement as separate items.

All costs and expenses are billed at our cost. In some instances, invoices for outside services will be sent directly to you for payment. You agree to pay the administrative charge and the costs itemized on your statements in addition to the hourly fees.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges,

we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

#### Monthly Invoices and Payment

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account. If a bill is not paid within 30 days, a late charge of one percent per month on the unpaid invoice shall be added to the balance owed, commencing with the next statement and continuing until paid.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We will then advise the client by letter that the client may pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

#### Changes in Fee Arrangements and Budgets

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

BEST BEST & KRIEGER LLP



- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

-----

8 That the City Council of the City of Auburn does hereby authorize the  
9 City Manager or his designee to execute a professional services agreement  
10 with Best Best & Krieger, LLP for legal services required by the City of Auburn,  
11 acting as successor agency to the dissolved Auburn Urban Development  
12 Authority.

15 \_\_\_\_\_  
16 Keith Nesbitt, Mayor

17  
18 Joseph G. R. Labrie, City Clerk

24	Ayes:
25	Noes:
26	Absent:

28